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1987 AMS Office Benefits Survey Report

For the United States and Canada

184,515 office employees
2,512 companies

AMS 1987 OFFICE BENEFITS SURVEY

The AMS 1987 Office Benefits Survey was conducted in conjunction with the AMS 1987 Office Salaries Survey early in 1987. Some 2,512 companies responded to the survey, consisting of a range of sizes and types located in 98 cities throughout North America. Given the large number of companies in the survey, the figures obtained are considered to reasonably represent trends in benefit policies of North American businesses.

The survey covers 24 benefits and salary administration policies. Statistics are reported for each of these policies by U.S. and Canada overall, by five regions in the U.S. and by five general business categories.

ABOUT AMS

AMS is a professional management association serving over 8,000 members in over 120 chapters throughout the United States and Canada. AMS is dedicated to the successful management of people and careers in the office. Those who are involved or interested in management are eligible for membership.

AMS provides its members with *Management World* magazine, as well as newsletters, salary and business policy surveys, seminars, a certification program, and other books, publications and services directed toward management development.

For further information about other AMS survey reports, see the last page of this report.

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U.S.$20 ($10 to AMS members)

Benefit Policies — By Region

PERCENT REPORTED

	TOTAL U.S.	EASTERN U.S.	EAST CENTRAL U.S.	WEST CENTRAL U.S.	SOUTHERN U.S.	WESTERN U.S.	TOTAL CANADA
PENSION PLAN							
Paid by Company in Full	66.7	71.3	70.3	65.7	62.2	57.8	29.6
Paid by Employee in Full	.8	.7	.4	.5	1.2	1.9	1.7
Company/Employee Share Cost	14.0	12.3	14.0	15.3	15.9	11.9	56.5
Do not have	18.5	15.7	15.4	18.4	20.7	28.4	12.2
GROUP LIFE INSURANCE							
Paid by Company in Full	68.4	70.5	74.7	69.0	58.0	65.3	49.6
Paid by Employee in Full	1.7	1.2	.7	2.4	2.4	2.6	3.5
Company/Employee Share Cost	24.8	23.2	21.6	23.4	33.7	24.3	43.5
Do not have	5.1	5.2	3.0	5.3	5.9	7.8	3.5
HOSPITALIZATION							
Paid by Company in Full	44.0	52.7	45.6	36.1	39.4	44.8	53.9
Paid by Employee in Full	1.1	1.0	1.1	1.5	.7	1.1	6.1
Company/Employee Share Cost	50.0	43.3	49.3	55.3	53.0	50.7	21.7
Do not have	4.9	3.0	4.1	7.1	6.9	3.4	18.3
SURGICAL BENEFITS							
Paid by Company in Full	43.2	52.0	45.4	35.4	38.5	42.5	51.3
Paid by Employee in Full	.8	.8	.5	1.3	.5	1.1	3.5
Company/Employee Share Cost	49.3	41.8	48.2	55.1	52.3	51.9	20.0
Do not have	6.6	5.3	5.8	8.2	8.8	4.5	25.2
MAJOR MEDICAL							
Paid by Company in Full	43.8	52.7	44.3	36.7	39.7	44.0	57.4
Paid by Employee in Full	.7	.3	.7	1.3	.5	1.1	1.7
Company/Employee Share Cost	49.7	41.8	49.3	56.4	52.0	51.1	26.1
Do not have	5.7	5.2	5.7	5.7	7.8	3.7	14.8
LONG TERM DISABILITY							
Paid by Company in Full	53.6	58.5	50.5	55.3	52.0	48.5	53.0
Paid by Employee in Full	9.3	7.7	8.3	10.0	11.4	10.1	19.1
Company/Employee Share Cost	18.3	15.0	20.8	15.7	21.1	20.9	20.9
Do not have	18.8	18.8	20.3	19.0	15.4	20.5	7.0
DENTAL INSURANCE							
Paid by Company in Full	33.1	34.8	37.5	29.7	25.9	38.4	54.8
Paid by Employee in Full	3.7	2.7	2.3	3.6	5.5	6.3	1.7
Company/Employee Share Cost	33.9	31.7	32.7	34.9	35.9	36.6	28.7
Do not have	29.3	30.8	27.6	31.8	32.8	18.7	14.8
OPTICAL CARE							
Paid by Company in Full	9.1	9.3	9.4	7.1	5.5	17.9	37.4
Paid by Employee in Full	1.9	1.8	2.1	.9	1.4	4.1	0
Company/Employee Share Cost	8.7	7.3	9.4	10.4	6.4	10.1	13.9
Do not have	80.4	81.5	79.2	81.6	86.7	67.9	48.7

The following are other general benefits and salary administration policies.

Job Evaluation Plan	61.1	60.3	60.4	65.9	58.4	59.0	62.6
Merit Rating Plan	57.3	60.8	54.6	57.5	58.2	53.4	53.0
Salary Progression Based on Seniority	10.7	10.2	11.7	11.1	11.2	7.8	23.5
Salary Deferred 401K Plan	49.0	47.3	49.1	52.6	48.9	45.5	—
Individual Retirement Accts. (IRAs)	13.7	15.7	14.1	14.2	13.3	7.8	5.2
Employee Savings/Thrift Plan	27.5	28.5	24.2	26.3	34.9	23.5	13.9
No Response	12.3	10.5	13.4	9.7	13.3	17.9	13.9

Benefit Policies — By Type of Business

PERCENT REPORTED

	TOTAL U.S.	MANUFACTURING PROCESSING	BANKING INSURANCE FINANCE	RETAIL WHOLESALE	GOV'T. AGENCY	SERVICES EDUCATION
PENSION PLAN						
Paid by Company in Full	66.7	74.5	81.9	59.2	27.4	59.8
Paid by Employee in Full	.8	.4	.6	.9	3.4	.8
Company/Employee Share Cost	14.0	9.8	7.6	11.0	65.0	14.7
Do not have	18.5	15.3	9.9	28.9	4.3	24.7
GROUP LIFE INSURANCE						
Paid by Company in Full	68.4	74.6	66.7	65.4	61.5	66.1
Paid by Employee in Full	1.7	1.2	1.3	1.3	6.0	1.9
Company/Employee Share Cost	24.8	22.4	30.1	29.8	27.4	22.2
Do not have	5.1	1.7	1.9	3.5	5.1	9.8
HOSPITALIZATION						
Paid by Company in Full	44.0	49.9	34.1	37.7	47.0	46.0
Paid by Employee in Full	1.1	.4	.4	.9	0	2.1
Company/Employee Share Cost	50.0	47.7	61.1	60.1	50.4	43.3
Do not have	4.9	2.0	4.4	1.3	2.6	8.6
SURGICAL BENEFITS						
Paid by Company in Full	43.2	50.0	32.2	38.2	45.3	44.9
Paid by Employee in Full	.8	.4	.4	.4	0	1.6
Company/Employee Share Cost	49.3	46.9	60.6	58.8	47.9	42.9
Do not have	6.6	2.6	6.7	2.6	6.8	10.6
MAJOR MEDICAL						
Paid by Company in Full	43.8	49.9	34.3	38.6	44.4	46.2
Paid by Employee in Full	.7	.4	.4	0	0	1.4
Company/Employee Share Cost	49.7	47.5	62.5	59.2	48.7	42.4
Do not have	5.7	3.1	2.7	2.2	6.8	10.0
LONG TERM DISABILITY						
Paid by Company in Full	53.6	53.6	64.4	44.3	36.8	52.5
Paid by Employee in Full	9.3	10.9	6.9	13.2	11.1	8.0
Company/Employee Share Cost	18.3	19.5	23.4	19.7	13.7	14.8
Do not have	18.8	15.9	5.3	22.8	38.5	24.6
DENTAL INSURANCE						
Paid by Company in Full	33.1	42.4	25.9	20.6	41.0	32.0
Paid by Employee in Full	3.7	2.5	2.9	3.9	3.4	5.0
Company/Employee Share Cost	33.9	31.9	44.8	39.0	32.5	28.5
Do not have	29.3	23.2	26.3	36.4	23.1	34.4
OPTICAL CARE						
Paid by Company in Full	9.1	10.9	6.9	6.6	13.7	8.9
Paid by Employee in Full	1.9	2.2	1.3	1.3	0	2.3
Company/Employee Share Cost	8.7	7.4	9.1	11.0	14.5	8.0
Do not have	80.4	79.4	82.7	81.1	71.8	80.7

The following are other general benefits and salary administration policies.

Job Evaluation Plan	61.1	64.4	73.7	51.3	63.2	54.5
Merit Rating Plan	57.3	65.3	68.4	50.9	48.7	48.0
Salary Progression Based on Seniority	10.7	7.9	3.6	11.8	27.4	14.0
Salary Deferred 401K Plan	49.0	59.0	61.9	38.6	35.0	39.0
Individual Retirement Accts. (IRAs)	13.7	11.8	21.9	12.7	8.5	11.7
Employee Savings/Thrift Plan	27.5	31.2	39.2	23.2	19.7	20.7
No Response	12.3	7.1	6.7	14.9	12.8	18.5

Benefit and Salary Administration Policies — By Region

PERCENT REPORTED

	TOTAL U.S.	EASTERN U.S.	EAST CENTRAL U.S.	WEST CENTRAL U.S.	SOUTHERN U.S.	WESTERN U.S.	CANADA
FLEXIBLE BENEFITS PROGRAM?							
Yes	15.7	14.5	13.6	15.1	19.2	18.3	20.9
No	79.0	80.7	81.3	80.8	73.2	76.1	76.5
No Answer	5.3	4.8	5.1	4.0	7.6	5.6	2.6
CONSIDERING A FLEXIBLE BENEFITS PROGRAM?							
Yes	15.8	13.3	14.7	18.4	17.8	15.3	5.2
No	63.5	68.0	66.8	62.4	56.1	60.8	71.3
No Answer	20.7	18.7	18.6	19.2	26.1	23.9	23.5
NUMBER OF PAID HOLIDAYS							
8 or Under	27.2	17.5	27.2	28.1	34.2	35.8	2.6
9 Days	15.2	12.2	14.5	19.2	16.6	13.4	7.0
10 Days	25.4	25.7	24.9	26.1	28.0	20.1	27.0
11 Days	14.1	19.8	13.1	11.7	8.3	17.9	30.4
Over 11 Days	14.6	21.5	17.7	12.4	7.6	8.6	28.7
No Answer	3.5	3.3	2.7	2.6	5.2	4.1	4.3
AVERAGE VACATION DAYS PAID BY COMPANY	**Days**	**Days**	**Days**	**Days**	**Days**	**Days**	**Days**
6 months service	3	3	3	3	3	3	3
1 year service	9	9	10	9	10	9	11
2 years service	10	10	10	10	10	10	12
3 - 5 years service	11	11	11	11	11	11	14
6 - 10 years service	15	15	15	14	14	15	17
11 - 15 years service	17	17	17	17	17	17	19
16 - 20 years service	19	19	19	19	19	19	21
20+ years	21	21	21	21	21	20	25

PERCENT REPORTED

VACATIONS CARRIED?							
Yes	37.0	33.2	32.2	39.8	36.8	51.1	37.4
No	60.0	63.3	66.1	57.8	58.0	47.0	59.1
No Answer	3.0	3.5	1.8	2.4	5.2	1.9	3.5
BASIS FOR COMPENSATION RATES							
Internal Evaluation	13.3	16.3	10.6	12.4	13.8	13.4	14.8
Market Pricing	5.7	5.3	5.5	5.3	5.9	7.1	4.3
Combination of Both	78.0	75.0	80.7	79.9	76.2	77.6	79.1
No Answer	3.0	3.3	3.2	2.4	4.0	1.9	1.8
TYPE OF SALARY INCREASES							
Merit	52.6	55.3	51.8	50.7	52.7	51.5	21.7
General	5.4	5.7	5.3	6.4	4.3	4.9	14.8
Longevity	.5	.3	.7	.5	.7	.4	.9
Merit & General	25.1	23.2	26.1	25.2	23.5	29.5	50.4
Merit & Longevity	8.1	7.2	9.5	7.8	8.6	6.7	1.7
General & Longevity	3.9	3.3	3.7	5.1	3.8	3.0	6.1
Equity	.1	0	0	.2	.2	.4	0
Other	2.1	2.7	1.6	2.0	2.1	2.2	2.6
No Answer	2.2	2.3	1.2	2.0	4.0	1.5	1.8
APPROXIMATE PERCENT OF SALARY BUDGET FOR BENEFITS							
Average	27.0	28.0	28.0	27.0	28.0	26.0	18.0

Benefit and Salary Administration Policies — By Type of Business

PERCENT REPORTED

	TOTAL U.S.	MANUFACTURING PROCESSING	BANKING INSURANCE FINANCE	RETAIL WHOLESALE	GOV'T. AGENCY	SERVICES EDUCATION
FLEXIBLE BENEFITS PROGRAM?						
Yes	15.7	10.8	20.6	14.9	17.9	16.7
No	79.0	85.9	76.2	78.5	78.6	75.5
No Answer	5.3	3.4	3.2	6.6	3.4	7.8
CONSIDERING A FLEXIBLE BENEFITS PROGRAM?						
Yes	15.8	13.4	20.6	11.4	13.7	16.5
No	63.5	72.6	56.2	68.0	65.0	59.2
No Answer	20.7	14.0	23.2	20.6	21.4	24.3
NUMBER OF PAID HOLIDAYS						
8 or Under	27.2	12.7	28.2	48.2	6.8	35.3
9 Days	15.2	16.5	18.1	17.1	7.7	13.3
10 Days	25.4	28.1	28.6	17.1	34.2	22.5
11 Days	14.1	19.8	12.4	9.2	24.8	10.6
Over 11 Days	14.6	22.0	11.4	7.5	25.6	11.1
No Answer	3.5	1.3	1.3	.9	.9	7.1
AVERAGE VACATION DAYS PAID BY COMPANY	Days	Days	Days	Days	Days	Days
6 months service	3	3	3	2	4	3
1 year service	9	9	10	8	11	10
2 years service	10	10	10	10	11	10
3 - 5 years service	11	11	11	11	13	12
6 - 10 years service	15	14	15	14	16	15
11 - 15 years service	17	17	17	16	18	17
16 - 20 years service	19	19	19	18	21	19
20+ years	21	22	21	20	23	21

PERCENT REPORTED

VACATIONS CARRIED?						
Yes	37.0	21.9	41.9	23.7	81.2	43.8
No	60.0	77.4	56.4	75.9	15.4	50.3
No Answer	3.0	.7	1.7	.4	3.4	5.9
BASIS FOR COMPENSATION RATES						
Internal Evaluation	13.3	13.4	11.4	17.1	20.5	12.4
Market Pricing	5.7	7.3	4.8	5.3	6.8	4.8
Combination of Both	78.0	78.1	83.2	76.8	67.5	76.8
No Answer	3.0	1.2	.6	.9	5.1	6.0
TYPE OF SALARY INCREASES						
Merit	52.6	65.0	69.1	47.4	11.1	41.0
General	5.4	5.0	2.5	6.1	14.5	5.9
Longevity	.5	.3	.2	1.3	1.7	.6
Merit & General	25.1	21.4	20.0	27.2	35.9	28.7
Merit & Longevity	8.1	5.2	5.3	11.4	10.3	10.6
General & Longevity	3.9	1.6	.8	4.4	20.5	4.9
Equity	.1	0	0	.4	.9	.1
Other	2.1	1.2	1.9	1.3	4.3	2.9
No Answer	2.2	.3	.2	.4	.9	5.4
APPROXIMATE PERCENT OF SALARY BUDGET FOR BENEFITS						
Average	27.0	30.0	28.0	26.0	29.0	25.0

AMS Survey Reports

1987 AMS Business Expenses Survey — examines three main areas of company-reimbursed expenses: business travel, education, and relocation. Looks at what employees are compensated for in terms of travel, entertainment, meals, seminars, etc. Relocation portion also looks at reimbursement for moving and housing costs. Responses are broken down by company size and industry. Business travel portion is contrasted to results of 1979 and 1982 surveys.
Price: $15 ($10 to AMS members)

1987 AMS Contract Labor Survey — three-part survey covers trends in temporary help; contract staffing; and part-time employment. Gauges use and reasons for using temp help; prevalence of contract staffing; benefits offered to part-timers; more. Each category broken down by industry, company size, and region.
Price: $15 ($10 to AMS members)

1987 AMS Flexible Work Survey — covers three major areas of work schedules: flextime, job sharing; and workweeks. Identifies trends in employee scheduling. Each category is broken down by region, company size, and industry. Results are compared with 1985, 1981, and 1977 surveys.
Price: $15 ($10 to AMS members)

1987 AMS Hiring & Firing Policies Survey — covers two critical areas of employment practices. Part one, "hiring," looks at company hiring plans, how companies locate potential employees, what managers do and don't look for in a prospective employee, and the prevalence of intelligence/personality testing. The "firing" portion examines progressive discipline policies, severance pay, and the prevalence of unjust discharge suits. Each category is broken down by company size and industry. Results are contrasted with similar surveys conducted in 1985 and 1986.
Price: $15 ($10 to AMS members)

1987 AMS Managerial Stress Survey — covers stresses, strains, and burnout experienced by nationwide group of managers. Results are broken down by personality type (A, B, or combination of both); sex; job function; and industry. Stressors measured include workload, employee responsibilities, hiring and firing, more.
Price: $15 ($10 to AMS members)

1987 AMS New Benefits Survey — four-part survey report covering the major new types of benefits designed for a new, diverse workforce. The four areas covered include: flexible benefits programs; employee assistance programs; wellness/physical fitness programs; and childcare programs. Each of these categories is broken down into types of services covered, as well as by region, company size, and industry. Results are compared with 1986 survey.
Price: $15 ($10 to AMS members)

1987 AMS Office Benefits Survey — presents up-to-date information on company benefits and worktime policies from almost 3,000 companies nationwide. Items covered include pension plans, insurance, medical benefits, salary incentives, bonuses, flexible schedules, holidays, and vacations.
Price: $20 ($10 to AMS members)

1987 AMS Office Turnover Survey — presents turnover rates and reasons for termination. Covering over 46,000 terminations in over 1,200 companies across North America, the survey reports turnover percentages by type of business, size of office, region, city, reasons, and other categories. Results are compared with previous years.
Price: $30 ($15 to AMS members)

1987 AMS Smoking Policies Survey — reports the number of companies with smoking policies in effect, where smoking is banned, hiring policies regarding smokers, "kick the habit" programs, and sample company smoking policies.
Price: $15 ($10 to AMS members)

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